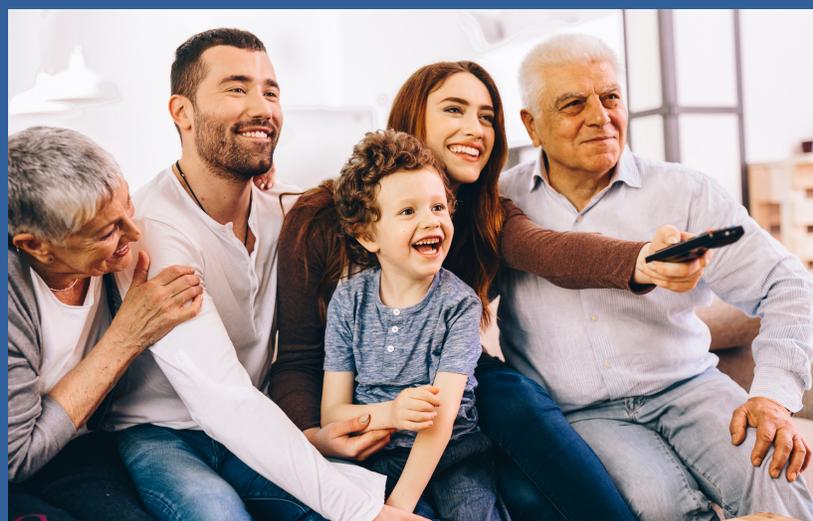
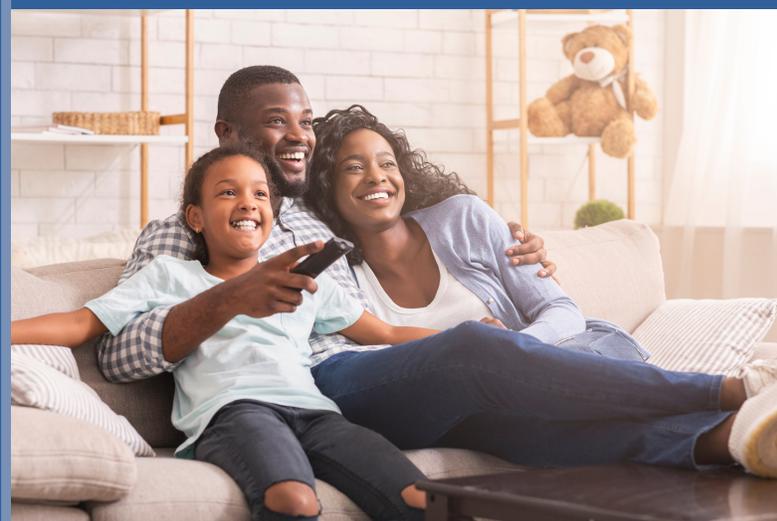


SPECIAL . REPORT

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ISSUE NO. IX

THE NEW RULES OF MEDIA MEASUREMENT



A CRITICAL REVIEW OF AUDIENCE AND MEDIA MEASUREMENT TODAY

SEPTEMBER 2022

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



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SPECIAL . REPORT

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THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES

A Critical Review of Audience and Media Measurement Today

ADONIS E. HOFFMAN

As audience viewing preferences and video technologies evolve, there is an emerging view that rules and paradigms should adjust to meet those changes. Recent calls for a new system, or systems, of audience measurement have resounded throughout the media and advertising ecosystem, especially from networks and advertisers.

Today, the media industry is undergoing an unprecedented process of self-evaluation designed to address disaffection with the status quo. While most of the criticism has been levied against the industry-standard Nielsen model, there are ample challenges for new entrants and would-be competitors as well.

Against this backdrop, *The New Rules of Media Measurement -- Rebalancing the Scales* presents a critical examination and review of the major proposals, initiatives and recommendations for change in audience and media measurement. We have researched the data, reviewed the public record, and interviewed industry experts to provide a unique report on one of the most pressing challenges facing media today.



"As an industry, we have an unprecedented opportunity to organize around more accurate and valuable data for cross-platform audience measurement, whether CTV, linear TV or digital. Person-level, second-by-second data measuring all screens - TVs, mobile devices and laptops - is necessary for cross-platform measurement. This is the only way to ensure that marketers can appropriately value digital vs TV vs CTV advertising opportunities."

Yan Liu, CEO of TVision



EXECUTIVE SUMMARY

The Mandate for Change

The mandate for a new measurement framework – or frameworks – is clear and present. Advertisers, agencies, brands, broadcasters, distributors, networks, publishers and platforms, collectively, have issued a clarion call for change. With billions of dollars at stake, the urgency of the circumstances demands nothing less.

As the media industry continues its critical and constructive introspection, we are proffering – in this Special Report – a novel set of principles and best practices to inform and instruct the process going forward. It is based on our survey of key concerns, recommendations and proposals thus far.

In sum, we recommend that firms and companies involved in audience and media measurement adopt, embrace and adhere to the following principles.

A Uniform Currency

The advertising and media ecosystem needs a reliable currency to buy and sell advertising. It needs a uniform system to measure everyone no matter where they happen to consume media. And it needs an independent, objective umpire to interpret and enforce the rules of the game.

A Self-Regulatory Regime

We cannot overstate the significant role and responsibility of the Media Rating Council (MRC) as the implacable cornerstone of the media and audience measurement ecosystem. Maintaining a fully empowered MRC is essential to upholding the highest ethical and performance standards throughout.

An Industry-Agreed Set of Principles for Measurement That Are:

- | | |
|-------------------------------|-------------------------|
| I. Accountable | VII. Adaptable |
| II. Independent | VIII. Privacy Compliant |
| III. Comprehensive | IX. Cross-Platform |
| IV. Inclusive/ Representative | X. Uniform |
| V. Transparent | XI. Efficient |
| VI. Consistent | XII. Accurate |

If today's debate on media measurement is to have any integrity, it must incorporate a few basic, mutually-agreed principles. Measurement industry incumbents Nielsen and Comscore – in that order– have made demonstrable progress along these lines, while new entrants and competitors not so much, as reflected in this year's advertiser and media commitments. Our intent is to help manage this propitious moment. The following Special Report is published to promulgate and advance a more expansive, inclusive and productive dialogue on the key issues in audience and media measurement.



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THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES

PART I

MEDIA MEASUREMENT IN TRANSITION

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



"The media and technology landscape has completely transformed over the last few years—yet measurement remains outdated. Why? Because the advertising industry has not adapted and it's holding us back."



"But that's not our fate. We can construct a better, more transparent future. And we need all our industry's builders—including Nielsen—to architect an entirely new blueprint. It's time for us to declare measurement independence, and build solutions that will serve all consumers, advertisers, publishers, and platforms for the next century."

"Marketers don't buy ratings...they buy results."

Kelly Abcarian, EVP, NBCUniversal



SOUNDING AN ALARM

Sean Cunningham, CEO of the Video Advertising Bureau (VAB), threw down the gauntlet on audience measurement accuracy by questioning Nielsen's protocols during the COVID pandemic. His relentless railing on behalf of networks and other VAB members spawned the current debate on alternative currencies and ushered in a new era of audience and media measurement competition.



Sean Cunningham, CEO, VAB

"As widely reported in AdAge, Variety, Adweek, The Wall Street Journal, B+C and more, VAB formally requested Nielsen's MRC accreditation for their national TV service be revoked due to multiple, major and persistent violations. To maintain the integrity of the currency used to transaction billions of dollars of ad revenue, VAB has been actively monitoring Nielsen's sample since we discovered systemic issues during Covid. Our initial investigation led to an independent MRC audit, revealing significant under-reporting of viewership. Although Nielsen has taken steps to rectify the issues with its sample, our current analysis proves issue persist. With nearly 18% of respondents still missing, the sample still does not accurately represent the TV viewing population, particularly diverse and younger homes. As a result, The VAB, on behalf of its publisher and distributor members, submitted an in-depth 10-page document to the MRC detailing specific violations committed by Nielsen starting in March 2020 extending through today. What cannot be evaded or dodged is the level of all-industry intervention coming to Nielsen with a mandate of change-or-die transparency needed for going forward with any real credibility. The VAB will be pursuing the case for radical Nielsen change with more voracity than ever."



EDITOR'S NOTE

The preceding VAB quote makes reference to the Media Rating Council (MRC) in the context of "an independent MRC Audit, revealing under-reporting of viewership."

This is not accurate, according to the MRC.

The MRC action was not an audit. It was a research study the MRC asked Nielsen to complete. The study design was developed by the MRC with input from Nielsen researchers. Nielsen executed the study and the MRC auditors read the study results and underlying data. The study did show under-reporting of viewership, which led to the MRC issuing a public statement summarizing key results. Nielsen disclosed these results to its clients in webinars and meetings, but the under-reporting was contrary to what Nielsen had represented to its clients earlier. It is also important to note that the MRC's research study was underway prior to VAB's communications and requests to MRC. The study and the resulting MRC statement was not undertaken because of VAB requests or positioning.



CHANGES AND CHALLENGES IN AUDIENCE MEASUREMENT

Nielsen Agonistes

Challenges to Nielsen's methodology and practices during the Covid 19 pandemic have garnered unprecedented press and ushered in a wholesale review of the entire audience measurement system. While Nielsen was discredited from national and local video ratings by the MRC, the company has vowed to recast and refresh its methodology through the launching of an innovative new solution it calls Nielsen One.



At a time when more and more people watch video content through streaming, measuring linear TV viewing has become all-important for legacy television. Numbers matter when it comes to audiences, and it is a simple formula. More numbers, more money. Anything upsetting this precarious balance is anathema, including reports of a growing shift from linear to streaming.

Last summer, the Video Advertising Bureau (VAB), fired a shot heard around the media world, charging Nielsen with under-counting television viewers during the pandemic. The VAB tapped a deep reservoir of ill-will against Nielsen, long in the making. In so doing, it gained industry support to oust the company from its perch atop the audience measurement sector. Nielsen's decades-long dominance in media ratings, its rich client fees and its legacy of tin-eared leaders had reached a tipping point.

David Kenny, Nielsen's CEO, admitted that it should have pivoted more quickly to account for [the viewing] shift, COVID notwithstanding. He hastened to note that the long-awaited Nielsen One measurement technology would be rolled out ahead of schedule, providing a comprehensive new methodology across all platforms. Nielsen offered to take a (third) voluntary hiatus from Media Rating Council (MRC) accreditation but the request was denied by the MRC Board of Directors due to Nielsen's overuse of the process and the fact that some of the audit issues were pre-pandemic. This combination of factors compelled the MRC to suspend Nielsen's accreditation for national and local TV measurement. A status it suffers today.

In October 2021, NBCU, led by a former Nielsen executive, joined the fray and upped the ante. But it does not battle alone. It formed an alliance of measurement firms, agencies and advertisers -- now known as the NBCU's Measurement Innovation Forum. According to the *NBCU Look Book*, many of the other measurement firms — however loosely defined — are either unaccredited or not engaged in the process at all. Several of them have yet to submit their plans to the MRC and others have no plans to seek MRC accreditation at all.

The campaign to dislodge Nielsen from its decades-long dominance of audience and media measurement endures. Competitors to the Nielsen throne are rolling out new systems and striking new deals. While most of them remain far, far behind Nielsen, the competition itself has been a welcome boon to advertisers, networks and publishers. And, not insignificantly, the disruption has breathed new life into Nielsen, as well, prompting its leadership to accelerate and innovate as never before.

<https://www.nexttv.com/blogs/not-ready-for-prime-time-audience-measurement-in-disarray>



A WATERSHED EVENT

On September 1, 2021 the the Media Rating Council (MRC) Board of Directors voted to:

- Suspend the MRC accreditation of Nielsen's National Television service; and
- Remove the current accreditation hiatus status designation from Nielsen's Local People Meter and Set Meter Markets services, and suspend accreditation for these markets.

"The decision by the Media Rating Council (MRC) to suspend Nielsen on September 1, 2021 was a watershed event for the media industry. Its decision undid decades of convention and ushered in an unprecedented era of competition in the audience measurement ecosystem. But opening the door for measurement firms with decidedly less experience, expertise and resources – as credible alternatives to Nielsen – has proven to be easier said than done. So far, not one of the hopeful Nielsen successors has been accredited by the MRC and several seem to be destined to never receive accreditation if they seek it at all."



Adonis Hoffman, Esq., former FCC official and media industry attorney



KEY DEVELOPMENTS IN MEDIA MEASUREMENT

JULY
2021

VIDEO ADVERTISING BUREAU (VAB) ASKS MRC TO END NIELSEN'S MEDIA ACCREDITATION

<https://www.mediapost.com/publications/article/365276/vab-asks-mrc-to-suspend-nielsens-accreditation.html>

<https://www.nexttv.com/news/vab-asks-mrc-to-suspend-nielsen-ratings-accreditation>

AUG
2021

NIELSEN REQUESTS HIATUS FROM MRC NATIONAL TV RATINGS SERVICE

<https://realscreen.com/2021/08/12/nielsen-puts-accreditation-for-national-tv-ratings-service-on-pause/>
<https://www.nexttv.com/news/nielsen-asks-mrc-to-put-national-ratings-accreditation-on-hiatus>
<https://variety.com/2021/tv/news/nielsen-media-rating-council-hiatus-1235040223/>
<https://www.adweek.com/convergent-tv/nielsen-third-party-national-tv-ratings-accreditation-on-hiatus/>
<https://www.wsj.com/articles/nielsen-asks-to-take-a-break-from-key-media-industry-seal-of-approval-11628809435>

AUG
2021

MEASUREMENT FIRM SIX-ZERO-FIVE SAYS IT OFFERS ALTERNATIVE TO NIELSEN

<https://www.tvtechnology.com/news/605-says-it-offers-an-alternative-to-nielsen>

SEPT
2021

MRC SUSPENDS NIELSEN NATIONAL TV RATINGS ACCREDITATION

<http://mediaratingcouncil.org/news.htm>
<http://mediaratingcouncil.org/news.htm>
<https://www.adweek.com/convergent-tv/mrc-strips-accreditation-from-nielsen-national-and-local-tv-measurement-services/>
<https://variety.com/2021/tv/news/nielsen-national-ratings-suspension-media-rating-council-1235053949/>

OCT
2021

NBCU ANNOUNCES PARTNERS FOR INNOVATION FORUM

<https://together.nbcuni.com/insights/measurement/unveiling-nbcus-measurement-innovation-forum-partners/>

DEC
2021

OPEN AP TECHNOLOGY BACKED BY TV NETWORKS

<https://variety.com/2021/tv/news/tv-open-ap-cross-screen-measurement-1235129669/>



Key Developments

New York, NY (August 2022): Nielsen announces the delay of its Big Data sources into its national TV ratings: “As we work to ensure the best quality and stability of the data during this transition, we have made the decision to delay using this data for transaction purposes. This decision does not impact our plans for full transition to panel, plus big data, in September 2023, or our path to accreditation for our National TV measurement service.”

New York, NY (April 26, 2022): The Media Rating Council (MRC) today announced that Comscore’s Media Metrix (MMX) desktop digital audience measurement service has entered into an accreditation hiatus period, effective April 19th. Comscore is currently in the process of making methodological enhancements to MMX. Accreditation hiatus is a formal MRC status designation in which a service is allowed to temporarily step away from audits for up to two consecutive six-month periods to permit certain actions or service improvements to be implemented outside the normal audit and accreditation process. The service is not accredited during a hiatus period.

New York, NY (February 3, 2022): As part of MRC’s commitment to provide increased transparency into the state of various ongoing audit processes, this communication provides an update on the current status of Comscore’s TV measurement service. Comscore TV re-entered the MRC’s accreditation process in October 2021, and is currently undergoing an MRC audit. Its official status at this time is “Not Accredited, In Process.”

New York, NY September 2021 . Accreditation of Nielsen’s National and Local Television services was suspended. MRC and Nielsen recently reached agreement about the auditing that will be necessary prior to reconsideration of the accreditation statuses of these services. While auditing of certain related areas already has been done, Nielsen’s remediation work will extend into Q2 2022, and therefore a complete audit report is not expected to be delivered to MRC until the end of Q3. Additionally, an audit of Nielsen’s “Big Data” inputs to its future TV measurements is currently in process, with this audit report expected to be delivered to MRC in mid Q3.

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES

PART II

UPHOLDING THE STANDARD(S)

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



The Operative Word is "Transition"



George Ivie, industry icon and measurement expert, notes that "the media measurement space in our industry is in disruption and transformation and basically moving from different methods to other methods. The MRC is in the middle of this transitional state trying to sort it out with audits and standards."



*George Ivie, CEO & Executive Director
Media Rating Council*

"No longer is it good enough to measure with a panel or to track people solely with a tag, to do the old methods we relied on. . . where just the term 'currency' is being rewritten in a lot of our measurement spaces where you used to have fixed TV currency, fixed radio currency, digital currency, print currency. . . and now people are wondering is a single currency viable for the long term?"

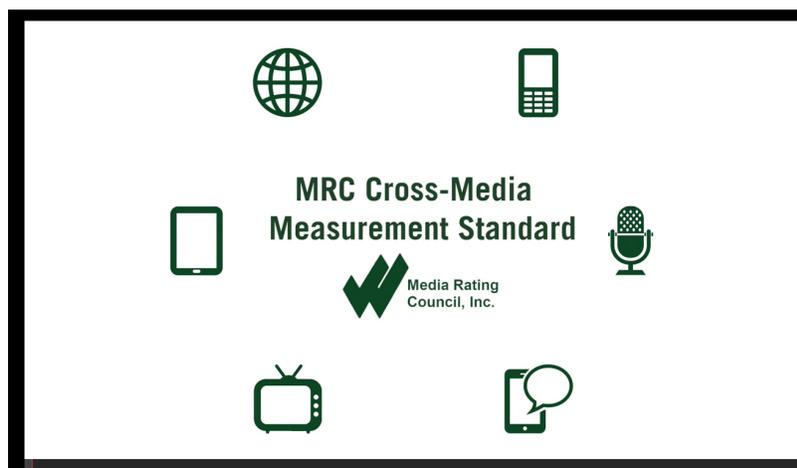
Televisionation: CEO, George Ivie, on the Media Rating Council's (MRC) Goals for 2021
<https://vimeo.com/507794634>



CROSS MEDIA MEASUREMENT



"For decades, we've been dealing with the problem of tracking consumers and the various media types that they watch our content and our advertising on, and what we really need is a common framework for measurement that cross the media silos that allows a valuation in a common way. And these standards attempt to address that."



[https://spaces.hightail.com/receive/Gt4hb4YOgh/fi-5c7e7b1d-2263-4115-b56d-99a1e4ca4291/fv-33885491-f142-4574-a3f1-af7bc8ca3f51/Media%20Rating%20Council%20v3%20\(Converted\).mov](https://spaces.hightail.com/receive/Gt4hb4YOgh/fi-5c7e7b1d-2263-4115-b56d-99a1e4ca4291/fv-33885491-f142-4574-a3f1-af7bc8ca3f51/Media%20Rating%20Council%20v3%20(Converted).mov)

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



The Media Rating Council (MRC)

History and Mission of the MRC

In the early 1960's a U.S. Congressional Committee held hearings on the purpose and accuracy of audience research and considered regulation related to the TV and Radio industries. These public hearings are commonly referred to as the "Harris Committee Hearings on Broadcast Ratings." After investigation and extensive testimony the Committee determined that Industry self-regulation, including independent audits of rating services was preferable to government intervention. The Harris Committee hearings resulted in the formation of an Industry-funded organization to review and accredit audience rating services called the Broadcast Rating Council (now referred to as the MRC).

Aligned with the actions deemed necessary by the House Committee, the activities of the MRC include:

- The establishment and administration of Minimum Standards for measurement operations;
- The accreditation of measurement services on the basis of information submitted by such services; and
- Auditing, through independent CPA firms, of the activities of the measurement services.

The Council seeks to improve the quality of measurement service products and to provide a better understanding of the applications (and limitations) of the information and services delivered. The Bylaws of the MRC document the organization's mission as: "to secure for the industry and related users measurement services that are valid, reliable and effective; to evolve and determine minimum disclosure and ethical criteria for measurement services; and to provide and administer an audit system designed to inform users as to whether such measurements are conducted in conformance with the criteria and procedures developed." MRC's mission was established with the support of the House Committee.

MRC Membership

Membership is open to any media organization that relies on or uses media research, and each member company is entitled to a seat on the MRC Board of Directors. Organizations whose sole purpose is to provide measurement, such as Nielsen or MRI-Simmons, are not allowed to be members. Currently there are approximately 165 Board members in total representing TV and Radio Broadcasting, Cable, Print, Internet and Advertising Agency organizations as well as Advertisers and Trade Associations. The MRC also maintains a formal liaison relationship with the Advertising Research Foundation (ARF).

The MRC Audit and Accreditation Process

The central element in the monitoring activity of the MRC is its system of annual external audits of measurement service operations performed by a specialized team of independent CPA auditors. MRC audits serve these important functions:

- They determine whether a measurement service merits accreditation (or continued accreditation)
- They provide the MRC with the results of detailed examinations which become the basis for quality improvements in the service, either by voluntary action or mandated by MRC as a condition for accreditation, and
- They provide a highly beneficial psychological effect on measurement service performance. Knowledge that their work may be reviewed by CPA auditors is a powerful spur for quality work by all field and home-office personnel of the service.



The Media Rating Council (MRC)

Syndicated Measurement Services that submit to MRC Accreditation must agree to:

- Supply Complete Information to the MRC
- Comply with MRC Minimum Standards
- Conduct the Service as Represented to Client
- Submit to Annual Audits
- Pay for the Audit Costs (internal & external)

Resulting audit reports are very detailed containing many methodological and proprietary details of the measurement service and illumination of the primary strengths and weaknesses of its operations. The reports are confidential among the MRC members, independent CPA firm, and the service. Audit reports include detailed testing and findings across various aspects of the service including:

- Sample design, selection, and recruitment
- Sample composition by demographic group
- Data collection processes and controls plus fieldwork
- Metering, survey or interviewing accuracy
- Information technology general controls
- Client on-boarding
- Invalid traffic detections & filtration
- Editing and tabulation procedures
- Data processing
- Ratings calculations
- Assessment of measurement service disclosures of methodology and performance

Pursuant to the last bullet above, the MRC mandates services disclose many methodology and performance measures, which would be otherwise unknown, for example:

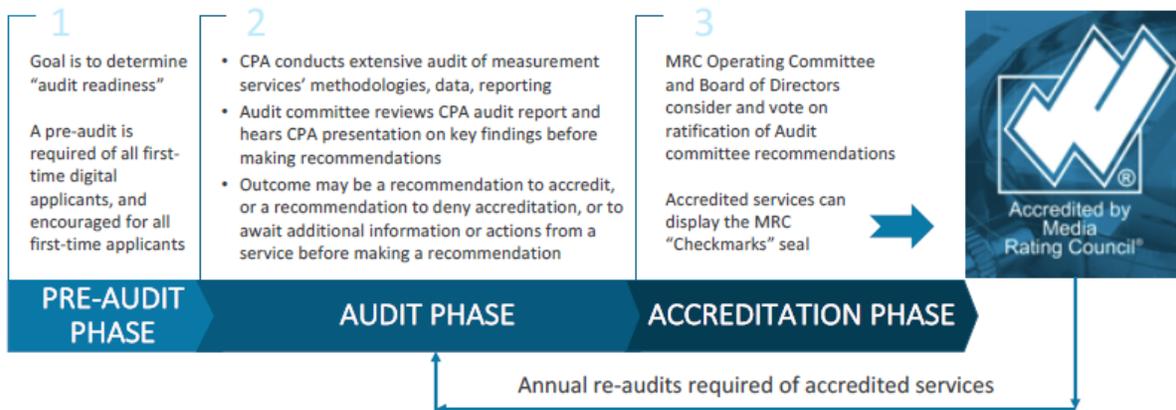
- Source of sample frame
- Selection method
- Respondents by demographic group versus population
- Response rates
- Existence of special survey treatments for difficult to recruit respondent groups such as young or ethnic persons
- Editing procedures
- Minimum reporting requirements for media
- Ascription and data adjustment procedures employed
- Errors noted in published reports
- Data reissue standards and reissue instances
- Measured rate

Measurement services awarded MRC Accreditation are given permission to display the MRC's logo on the audited research product indicating compliance with our Standards. MRC Standards are publicly available; more importantly, the extensive methodological and survey performance disclosures mandated by the MRC are required to be available to all rating service customers.



THE MRC'S AUDIT & ACCREDITATION PROCESS

Audits are conducted by an independent CPA firm, with active oversight from MRC Staff and Members



Ratings Standards

The MRC Minimum Standards for Media Rating Research provide the base set of assessment criteria and establish the foundation for all audits conducted of services engaged in the MRC accreditation process. The Minimum Standards for Media Rating Research became effective March 31, 1964 and have been maintained and updated by the MRC Board of Directors. In general, the Standards relate to: (a) ethics and operations, (b) disclosures, and (c) electronic delivery. Ethical and Operational Standards govern the quality and integrity of the entire process by which ratings are produced. Disclosure Standards specify the detailed information about a rating service's methodology and each specific survey, which must be made available to users, the MRC and its Certified Public Accountant (CPA), as well as the form in which the information should be made available. Electronic delivery standards are designed to ensure that the service maintains appropriate system controls and meets certain minimum reporting standards.

MRC Audit and Accreditation Process

The central element in the monitoring activity of the MRC is its system of annual external audits of rating service operations performed by a specialized team of independent CPA auditors. MRC audits:

- Determine whether a rating service merits accreditation (or continued accreditation)
- Provide the MRC with the results of detailed examinations which become the basis for quality improvements in the service, either by voluntary action or mandated by MRC as a condition for accreditation, and
- Provide a highly beneficial psychological effect on rating service performance.



REQUIREMENTS FOR MRC ACCREDITATION

All Syndicated Measurement Services that submit to MRC accreditation must agree to:

- Supply complete information to the MRC
- Comply with MRC minimum standards
- Conduct the service as represented to client
- Submit to annual audits
- Pay for the audit costs (internal & external)



Resulting audit reports are quite detailed, containing methodological and proprietary details of the rating service and illumination of the primary strengths and weaknesses of its operations. The reports are confidential among the MRC members, independent CPA firm, and the rating service. Audit reports include detailed testing and findings.

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES

PART III

COMPETITION



Media Measurement Must Work for Everyone

Nielsen CEO David Kenny Defends the Company's Approach and Methodology in Open Letter to Media, Marketers and Advertisers



“There’s a lot of things that we have to change. . . We’re retooling all of that in order to do what we’ve always done exceptionally well.”

"A healthy media industry requires measurement integrity—reliable, accurate, unbiased and inclusive media measurement that works for everyone, and measures everybody, everywhere. Advertisers and marketers require independent, cross-platform, deduplicated measurement to build plans that drive outcomes and optimize for ROI. Comparability is key, as marketers navigate, strategize and execute across proliferating platforms.

As a leader in measurement for decades and the currency of choice today, we understand this acutely. We also understand that we need to move faster in advancing our measurement because the audience itself is moving faster. That’s why we’re transforming and improving the services we provide, to ensure we’re better leveraging the best of science, tech, data and human insight. And we will work directly with the industry to ensure we’re delivering the most accurate measurement of the audience."

<https://www.nielsen.com/us/en/open-letter-from-david-kenny/>



Speed to Market is Key for Comscore CEO

New Comscore CEO Jon Carpenter Notes that the key Challenge is to Get Audience Data Results to Clients within 48 Hours to Compete with Newcomers



*Jon Carpenter
CEO, Comscore*

“We’ve got what I consider the hard part figured out, which is the completeness of our offering, the methodology, the IP, if you will, around how to do measurement at scale. . . . We’ll figure out speed and when we do, we’re going to be a really attractive player in the space.”

<https://www.nexttv.com/news/new-comscore-ceo-jon-carpenter-rushing-to-bring-clients-data-faster>

" What is really important when it comes to understanding the future of media measurement is transparency and collaboration. The shift in distribution platforms and advertisers' interest in audiences — going beyond age and gender demos — requires modern thinking, modern data assets, and modern technology. Advertisers want to use actual, observed consumer information to evaluate their media choices. This approach, based on census-scale data, is the norm in digital, OTT, addressable, and connected TV (CTV) measurement."

-- Dr. Michael Vinson, Chief Research Officer, Comscore

/

<https://www.nexttv.com/blogs/setting-the-record-straight-about-modern-media-measurement>

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



NATIONAL AND LOCAL TV MEASUREMENT

It is important to note that of the several measurement firms engaged in audience measurement below, and competing for consideration, only Comscore and Nielsen are under active review by the Media Rating Council (MRC) for National and Local Television Services accreditation.

Service	Current MRC Status	Notes
 ComScore TV (National and Local Services)	Not Accredited, In Process	The current MRC audit of Comscore TV began in Fall 2021, with an audit report expected to be delivered to an MRC audit committee in Q3 2022.
 Nielsen (National Local People Meter, Local Set Meter Services, Television Index, Syndication Service, Home Video Index, Digital In-TV Ratings, Nielsen Stations Index Set Meter Service with Return Path Data, Set Meter Service with PPM, Stations Index Household Tuning, Nations Tuning Household Ethnic,	Accreditation Suspended, In Process	Accreditation of Nielsen’s National and Local Television services was suspended in September 2021. MRC and Nielsen recently reached agreement about the auditing that will be necessary prior to reconsideration of the accreditation statuses of these services. While auditing of certain related areas already has been done, Nielsen’s remediation work will extend into Q2 2022, and therefore a complete audit report is not expected to be delivered to MRC until the end of Q3. Additionally, an audit of Nielsen’s “Big Data” inputs to its future TV measurements is currently in process, with this audit report expected to be delivered to MRC in mid Q3.

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



Updates



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MEDIA RATING COUNCIL ACCREDITATION UPDATES, APRIL 2022 THROUGH JUNE 2022

New York – July 11, 2022

The chart below summarizes Media Rating Council decisions made in the period from April 2022 through June 2022. The format of this report is as follows:

Month	Operating Committee	Service	Action	Notes
<i>Month in which the action was officially taken.</i>	<i>The Operating Committee(s) within MRC with primary oversight for this audit.</i>	<i>Measurement Service Product for which a change to its MRC status occurred.</i>	<i>Formal action taken by MRC.</i>	<i>Other relevant information, such as specific limitations to accreditation, specific metrics accredited, specific markets involved, etc.</i>

The MRC took the following actions related to the statuses of audited services in the period from April 1, 2022 through June 30, 2022:

Month	Operating Committee	Service	Action	Notes
April	Digital	Comscore Media Metrix	Moved to Hiatus Status	At Comscore's request, the Media Metrix service was moved from Accredited status to a six-month Hiatus status. The service is not accredited during the hiatus period.
May	Digital	Amazon Sizmek	Continue accreditation/ Revoke accreditation	Accreditation continued for display and video rendered and viewable ad impressions and related viewability metrics in desktop environments; and for display and video rendered ad impressions in mobile web and mobile in-application environments. Accreditation revoked for Uniques and for frequency metrics in desktop environments.
May	Digital	Comscore Validated Campaign Essentials (VCE)	Revoke accreditation	Accreditation revoked for Validated Campaign Essentials' Validation and Audience 2.0 components. Comscore withdrew VCE from the audit process in advance of the pending deprecation of the VCE service.
May	Digital	Comscore Integrated Viewability Reporting	Revoke accreditation	Accreditation revoked for Comscore's Facebook/Instagram integrated reporting of Rendered and Viewable Video Ad Impressions, and related viewability metrics. Comscore's withdrew from the audit process for this integration, which is related to the pending deprecation of the Validated Campaign Essentials validation service.

<http://mediaratingcouncil.org/news.htm>

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



Updates

MRC Accreditation Updates

July 11, 2022
2

May	Digital	Protected Media	Grant accreditation/ Continue accreditation	<p>Accreditation granted for display and video viewable ad impressions, inclusive of Sophisticated Invalid Traffic (SIVT) filtration, in desktop, mobile web, and mobile in-application environments.</p> <p>Accreditation continued for display and video rendered ad impressions, inclusive of SIVT filtration, in desktop, mobile web, and mobile in-application environments.</p>
May	Digital	Google Ads	Grant accreditation/ Continue accreditation	<p>Accreditation granted for video rendered ad impressions and “True View” views, inclusive of Sophisticated Invalid Traffic (SIVT) filtration, in Connected TV (CTV) environments, as reported in the Google Ads Video Viewability report.</p> <p>Accreditation continued for Search and Display Clicks, as well as video rendered and viewable ad impressions and related viewability metrics, and “True View” views (each inclusive of SIVT filtration), in desktop, mobile web, and mobile in-application environments, as reported in the Google Ads Video Viewability report.</p>
May	Digital	Google YouTube Reserve	Grant accreditation/ Continue accreditation	<p>Accreditation granted for video rendered ad impressions, inclusive of Sophisticated Invalid Traffic (SIVT) filtration, in Connected TV (CTV) environments, as reported in the YouTube Reserve Video Viewability report.</p> <p>Accreditation continued for video rendered and viewable ad impressions and related viewability metrics, inclusive of SIVT filtration, in desktop, mobile web, and mobile in-application environments, as reported in the YouTube Reserve Video Viewability report.</p>
May	Digital	Google YouTube Brand Safety	Grant accreditation/ Continue accreditation	<p>Accreditation granted for the YouTube Brand Safety error rate, as disclosed in the service’s Description of Methodology.</p> <p>Accreditation continued for Content-Level Brand Safety controls for video ads through Google Ads, DV360, and YouTube Reserve; accredited formats include standard/skippable in-stream, in-stream select, and bumper ads, and exclude video discovery, masthead, YouTube Kids, non-YouTube, and Live Stream ads.</p>
May	Digital	Oracle Moat	Grant accreditation/ Continue accreditation	<p>Accreditation granted for Oracle Moat’s Sophisticated Invalid Traffic detection and filtration (SIVT) of video ad impressions in CTV environments.</p> <p>Accreditation continued for display and video rendered and viewable ad impressions, related viewability metrics, and audio quartiles and interaction metrics, filtered for SIVT, in desktop, mobile web, and mobile in-application environments; and for rendered video ad impressions in CTV environments.</p>

<http://mediaratingcouncil.org/news.htm>



WILL MEASUREMENT ALTERNATIVES STAND THE TEST OF TIME?

"Although many media companies have said they will use alternatives to Nielsen in the upfronts, AdAge estimates that only a high-single-digit percentage of ad sales will be sold based on something other than a projected Nielsen rating. Many believe that threats from ad sellers of going to competitors to Nielsen are just designed to get pricing leverage from the ratings giant."

Nielsen Facing Criticism Over Accuracy Of Streaming Video Ratings, Derek Baine, Forbes, April 8, 2022.
<https://www.forbes.com/sites/derekbaine/2022/04/08/nielsen-facing-criticism-over-accuracy-of-streaming-video-ratings/?sh=5b4d3f0b7ab0>

Nielsen's decades-long dominance in audience measurement has presented countless challenges for a competing currency. The absence of alternative currencies has frustrated many media leaders at networks and advertisers seeking less expensive options. With the MRC decision to not accredit Nielsen's national audience methodology, the door opened for new, different and innovative options.

THE NEW RULES OF MEDIA MEASUREMENT

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MULTIPLE CURRENCIES MAY PRESENT PROBLEMS FOR ADVERTISERS



"We fundamentally cannot have six different currencies because there's no bandwidth to deal with it, or practically speaking, everything from planning and optimization to building and even pitch cost templates depend on currencies and if I have one client on X and another is on Y and another is Z and somebody's on Delta or Omega or whatever, we can't deal with it at a very practical level."

Group M at TVOT LIVE! in Jan 2022



"Reach and frequency is foundational for marketers—we need to understand reach and frequency, and we need to understand reach and frequency not within silos, not within just a platform, not just within a TV network—we must understand reach and frequency across media."

Association of National Advertisers at TVOT LIVE! in Jan 2022

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MEASUREMENT INNOVATION FORUM PARTICIPANTS

<https://together.nbcuni.com/insights/measurement/unveiling-nbcus-measurement-innovation-forum-partners/>

360i

ACTIVE
INTERNATIONAL

ad
COUNCIL

A's

ANA

ARF
the Advertising
Research Foundation

CANVAS
WORLDWIDE

citi

dentsu

Edelman

Ford

GIANT SPOON

groupm

havas
media

HISPANIC
MARKETING
COUNCIL

horizonmedia

iab.

KWG

L'ORÉAL

MAGNA

Pfizer

OMD

OPEN
Λ . P .

PUBLICIS
GROUPE

ROCKET
Mortgage

rpa

target

TVB

VAB
Insights.
Inspiration.
Impact.

VW

Wieden
Kennedy⁺

wayfair

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THESE INCUMBENTS ARE EXPLORING INNOVATIVE MEASUREMENT AND ARE EXPECTED TO RECEIVE MRC ACCREDITATION IN 2022

"Simply put, there needs to be a fundamental change in how media is transacted in the 21st century. There is a lot of talk about alternative measurement currencies. I have long believed that a basket of currencies is healthy for the industry. Ultimately, though, we will see a few "reserve" currencies that emerge as the clear leaders and Comscore is one of those currencies."

Bill Livek, CEO, Comscore



MRC Accreditation Status:
Not Accredited; In Process

"Therefore, future measurement must deliver a total picture of the audience in an increasingly fractionalized media environment. And we have to have one truth set. For Nielsen, that means measurement that is fully inclusive of diverse communities that suffer biases when represented by big data alone; deduplicated across all platforms; and independent so that marketers, advertisers and publishers can rely on that data and know there is integrity in the data as they look to reach and engage with their target audience."

David Kenny, CEO, Nielsen



MRC Accreditation Status:
Suspended; In Process



THESE FIRMS ARE COMPETING FOR MARKET SHARE AND ARE NOT EXPECTED TO RECEIVE MRC ACCREDITATION IN THE NEAR TERM



MRC Accreditation Status:
Not Accredited

"The TV ecosystem has evolved from linear to cross-platform, with viewers consuming content across platforms, channels and screens. For advertisers to engage with the right audience, it is critical they have independent, digital-like audience measurement. That means moving beyond age and gender to real-time, privacy-compliant, impression-based analytics that inform not only campaign measurement, but planning, targeting and optimization too."

Jo Kinsella, President, TVSquared



MRC Accreditation Status:
Not Accredited

"The future of measurement is about creating a better and more effective experience – one that is rooted in comprehensive, consistent data and analysis. Both the size and quality of the datasets are important in developing solutions capable of producing valuable insights for programmers and advertisers. These outputs must go beyond the backward-looking metrics of a given campaign; they need to enable networks, MVPDs, agencies and brands to identify the audiences that drive sales outcomes and build on this intelligence to promote a virtuous cycle of sophisticated placement, effective creative, optimized segmentation and quantifiable results in the form of attribution and, ultimately, prediction."

Kristin Dolan, Founder & CEO 605

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



THESE FIRMS ARE COMPETING FOR MARKET SHARE BUT ARE NOT EXPECTED TO RECEIVE MRC ACCREDITATION IN THE NEAR TERM

"While so much of the TV marketplace traditionally has been about measuring the performance of TV shows and estimating ad viewership by proxy - often weeks later, we're taking an ads first approach to TV and doing so in real time. This kind of granularity and precision allows brands and industries to develop their own KPIs and invest in TV based on that, and it gives networks a new shared set of trusted benchmarks to transact on, and that is what we're seeing and where it's all headed."

Sean Muller CEO, iSpot

iSpot.tv

MRC Accreditation Status:

Not Accredited

"The market is moving away from reliance on a single currency to a multiple currency marketplace powered by more sophisticated measurement capabilities that are cross-platform and can unlock value on the both buy and sell side. We are creating a more sophisticated advertising ecosystem that results in advertisers increasing their return on investment and publishers increasing their revenues. The fragmentation of video viewership has made it challenging for advertisers to understand who they reach and how often. On the flipside, it's also made it difficult for publishers to get proper credit for their audience delivery. Traditional media currencies have not kept up with this shift and it has led to more silos and less measurability."

Michael Parkes, President, VideoAmp



MRC Accreditation Status:

Not Accredited



THESE FIRMS ARE COMPETING FOR MARKET SHARE

ORACLE

MRC Accreditation Status:

Accreditation granted for Oracle Moat's Sophisticated Invalid Traffic detection and filtration (SIVT) of video ad impressions in CTV environments. Accreditation continued for display and video rendered and viewable ad impressions, related viewability metrics, and audio quartiles and interaction metrics, filtered for SIVT, in desktop, mobile web, and mobile in-application environments; and for rendered video ad impressions in CTV environments

"Oracle Moat Reach is capable of providing currency-grade reach and frequency measurement, in addition to viewability and attention measurement with Oracle Moat Analytics, and best-in-class ROI measurement with Oracle Moat Outcomes. For Oracle Moat Reach specifically, we are building in compliance with MRC crosschannel certification guidelines and working toward official certification and are seeking the right publisher partner(s) in 2022 to explore using Oracle Moat Reach as an accepted currency within media buying and selling."

www.oracle.com

SAMBA TV

MRC Accreditation Status:

Not Accredited

"Samba TV enables marketers to build engaged audiences, and empowers viewers to spend more time with programming and brands they love. We believe data should be independent, not monopolized by walled gardens that measure their own media. We utilize our AI/ML driven tech stack and comprehensive, accurate first-party data that is gathered from 24 leading CTV brands globally, to power real-time decision making and optimize audiences' consumer journey across an expanding slate of platforms."

<https://www.samba.tv/business/company>

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THIS FIRM HOPES ITS TECHNOLOGY WILL HELP BRANDS ADVANCE CONSUMER ENGAGEMENT

"We believe it is important to engage, and not just target, the consumer, and connect them to the advertiser anonymously with a patented, opt-in, real-time platform that plays across all channels -- mobile, CTV, linear and radio. This empowers the consumer to purchase the products they want as opposed to guessing consumer interests. Consumers are incentivized to opt-in and provide first-party demographic data for advertisers using the AdXero platform. We show advertisers who their audience is before the ad is delivered, the moment it was watched, and when their product was purchased. Connecting the engaged consumer and advertiser in real-time delivers traceable attribution between the Customer and the sale's desired outcome. This indelibly changes the media measurement framework."

AdXero looks to the future of audience participation and measurement accuracy through our technology that uniquely incorporates a 'Gating Funds Flow' (GFF) mechanism which connects consumers with brands to effectuate sales. We incentive consumers to watch select video ads by opting in. This feature mitigates household inflation and treats customers as partners, not targets. Our GFF capability via integrated payment gateways locks the "incentivized" cash credits to purchase advertised products and services. This gives advertisers a major upside: they gain a captive audience willing to view ads, conduct the sale, build customer loyalty, and position their brands to capture more attention in the next campaign."

Robert Hubbard, CEO /CTO, Terence Hill, CFO, AdXero Inc.



MRC Accreditation Status:
Not Seeking Accreditation

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES

PART IV

THE INNOVATION IMPERATIVE



IS IT TIME FOR CHANGE?

It's been over sixty years since Nielsen started measuring television ratings. In the decades since, the company has come to dominate the US TV measurement landscape.

Is Nielsen's Dominance of US TV Measurement Over? Vincent Flood, Videoweeek, September 8, 2021.
<https://videoweeek.com/2021/09/08/is-nielsens-dominance-of-us-tv-measurement-over/>

"Over the years, many competitors have tried to unseat Nielsen. But to do a panel as they do, it's a very expensive process... Nielsen became embedded in all of the buying and selling systems at the agencies and the networks. If you wanted to buy something, you would buy Nielsen gross rating points. . . . The industry has wanted to push back against Nielsen and introduce new measurement for over a decade now."



Jane Clarke, former CEO, Coalition for Innovative Media Measurement

Nielsen, which is being taken private in a \$16 billion buyout, is still expected to provide the bulk of audience data for this season and years to come. Gripping about its measurements has come from TV networks where viewership has tumbled in favor of online programming.

Nielsen's 72-Year Grip on TV Ratings Is Starting to Slip, Carly Wanna, Bloomberg, May 12, 2022
<https://www.bloomberg.com/news/articles/2022-05-12/nielsen-s-72-year-grip-on-tv-ratings-is-starting-to-slip>



REBALANCING THE SCALES

THE CIMM CROSS-PLATFORM MEASUREMENT MANIFESTO

In February 2020, the Coalition for Innovative Media Measurement (CIMM) offered a framework to guide development of cross-platform video content and ad measurement methodologies and technologies for Buyers and Sellers of cross-platform video, aspiring to provide "what the media industry needs, and wants, now."

<https://cimm-us.org/>

Goals for new cross-platform measurement solutions are:

- 1. Integrated Solutions for Planning, Activation & ROI Analysis:** Buyers and sellers need to accurately and efficiently facilitate cross-platform planning, activation and attribution, at least for video, if not ultimately across all channels.
- 2. Enable Advanced "Precision" Targeting:** Solutions need to be large enough, and representative, to enable planning, buying and ROI analysis against precision audience targets (often customized), as well as age and gender.
- 3. Comparable Metrics Across Platforms:** Custom DMPs can thrive, but a "common core" of comparable exposure/ impression metrics are needed. Each media/ platform can also have custom metrics tailored to unique capabilities.
- 4. Unduplicated Reach/Frequency:** A privacy-compliant way is needed to dedupe impressions at individual/HH level across all channels, including "walled garden" data.
- 5. Real-Time:** Solutions need to foster an efficient supply chain in close to "real time" to enable optimization.

Criteria, Principles & Progress

- 1. Reach Agreement on Requirements:** Buyers and sellers need to agree on requirements for the "common core" of impressions measurement, privacy-compliant deduplication methods and approach to governance going forward.
- 2. Meet Business Needs, as well as Research Standards:** Solutions need to be practical and evolutionary to meet needs of buyers and sellers, and allow for upgrading of systems, training and accommodation for legal/ privacy concerns.
- 3. Support Competition, Open Standards & Objectivity:** Innovation thrives with competition among objective, third-party research and technology vendors, and with open standards where possible.
- 4. Create Separate Solutions for Content and Ad Measurement:** Buyers and sellers need flexibility to understand cross-platform content usage, and to create new ad trading currencies, with planning/optimization/reporting tools.
- 5. Support MRC standards:** Business leaders and brands, not just researchers, need "buy-in" for new MRC standards, particularly to agree on definitions for reporting duration, and then commit to following the standards.
- 6. Create Hybrid Panel/Big Data Solutions:** Progress is being made to create new tools to deduplicate reach using a combination of data from Smart TVs and STBs to create representative, "census-like" TV exposure datasets for linking via privacy-compliant "identity graphs" to digital impressions and/or to calibration panels.
- 7. Measure all TV/video:** This includes out-of home TV/video, time-shifted viewing via DVRs and VOD, dynamically inserted and addressable ads, digital video distributed on all platforms – via SDKs, tags or server integrations/APIs.
- 8. Capture individual and household data:** Both are needed to link "identity" across platforms and data sources. However, privacy-compliant methods are required to gather and combine data and identity via graphs or panels.
- 9. Demand transparency in segment definitions and methods of linking identity:** Third party data providers & DSPs need to use "Data Labels" to clarify source, recency and proof of compliance for data/IDs, and validation is needed.
- 10. Standardized Identifiers & Metadata:** SMPTE/Kantar open standard watermarks can embed Ad-ID into ads and EIDR (Entertainment ID Registry) codes into content. VAST also uses Ad-ID; and companies are now standardizing ad metadata through AMSI (Advertising Metadata Standardization Initiative).

<https://cimm-us.org/>

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



IN SEARCH OF INNOVATION

"It has never been more crucial for the industry to advance cross-platform measurement and television attribution, but this within itself cannot be achieved in silos. Instead, it requires a collective industry-wide commitment"

Bharad Ramesh, Executive Director, Research & Investment Analytics, GroupM



". . . . [C]ross-platform video measurement is continuing to advance and a variety of methodologies and technologies for doing so are competing in the marketplace, , , to help ensure development of solutions that work for the ad ecosystem as a whole."

Julie DeTraglia, EVP, Head of Research, Insights and Analytics, Hulu & Disney

"To bring the best in class cross-platform advertising technology to our clients, we need to ensure that the industry is developing it in a manner that best suits our needs."

Kate Sirkin, EVP Global Data Partnerships, Publicis Epsilon





THE HARDEST MEASUREMENT PROBLEM IN MEDIA

Problem:

What did 300 million people watch across 900 million screens for nearly 600 billion hours (annual)? And how many of those 300 million people were reached, with what frequency, by the \$100+ billion spent on advertising?

According to a key investor, the hardest problem in media is to determine -- on a sub-minute basis -- what hundreds of millions of people were watching on multiple platforms, and how many of those people were reached, how often, by billions of dollars in advertising. The solution, he postulates, is that neither Big Data, nor Panels, alone will solve the problem. It will take both.

Solution:

**300 million
900 million screens
600 billion hours**



BIG DATA

**How many were reached,
with what frequency,
with \$100+ billion**



PANEL

See: Nielsen - The Windacre Partnership, April 26, 2022



LEADING THE WAY

Is Nielsen One The Solution?

Nielsen ONE™ promises to provide reach and frequency metrics across all platforms using a modernized panel, best-in-class machine learning models, and a proprietary ID resolution system. It promises to combine the scale of big data along with granular insights from real people to deliver comprehensive measurement that accurately reflects advertising and content audiences.

What About ComScore Everywhere ?

Comscore Everywhere™ promises to provide a comprehensive, consistent, deduplicated view of media consumption and audience intelligence—across media and screens—to capture the realities of modern media consumption. It promises to be the true single-source, cross-platform measurement currency for content, advertising, planning, and optimization

Many Suggest that Alternative Metrics Like Attention and Engagement Should be a Bigger Part of the Measurement Mix

Some advertisers capture “attention” across digital assets by evaluating proxies, such as time-in-view. For television, vendors such as TVision track TV ad attention by capturing opted-in customer data that tracks what people are watching, who’s in the room, and if/when they’re paying attention. They match that data with automatic content recognition data on a second-by-second basis to measure how audiences pay attention to ads. Advertisers can target audiences based on “attention” characteristics in an effort to increase incremental sales.

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES

PART V

CORRECTING THE [UNDER] COUNT



MEASUREMENT MATTERS

"For decades and decades, Black consumers have been regularly overlooked by companies that don't see them as a priority demographic. Black consumers continue to be underserved in areas such as food, housing, healthcare, broadband, and banking."

"Many years of underserving the Black community has created significant opportunities for companies that are willing to look beneath the surface. There are two significant strategies for companies to pursue: expanding local access to goods and services and creating offerings that are better tailored to the needs and preferences of Black households."

We estimate that companies filling these needs could tap into \$300 billion of value annually. That's a significant reason for innovative companies, in the United States and globally, to compete for this market."



The Economic State of Black America: What Is and What Could Be –McKinsey Global Institute Report

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



INCLUSION AND REPRESENTATION MATTER. . .



African Americans spend more time consuming media than any other group in America.

Selig Center for Economic Growth, Terry College of Business, The University of Georgia, June 2021

When compared to the total population, Hispanics spent almost two more hours per week watching videos, streaming audio and social networking on their smartphones during COVID-19, as a way to bridge the social distancing gap.

Hispanic Diverse Intelligence Series, 2020, Nielsen



Asian Americans have always led the way with digital adoption. 90% of all Asian American households own internet-connected TV devices, compared with 76% of the total U.S. population.

Total Audience Report 2020, Nielsen

Black consumers are highly digital: they are more likely to own a smartphone, using their phones 12 percent more than White Americans. They are nearly three times more likely than White Americans to expect the brands they use to align with their values and support social causes.

The Economic State of Black America: What is and What Could Be, McKinsey Global Institute Report, June 2021



73% of Hispanics vs 55% non Hispanic watch video on mobile devices. 29% of Hispanics vs 13% non Hispanic watch subscription TV on mobile devices.

The Media Consumption Habits of Hispanics in the USA, Global Web Index. www.globalwebindex.net



... AND THE CHALLENGE IS TO COUNT EVERYONE ACCURATELY

Caveat from an Expert

"If you move to an alternative way of measurement, there's a really good chance that you're going to compromise diversity and inclusion both in terms of measurement, but also in terms of advertising and subsequently on screen media talent."

"Marketers looking to reach those unique audiences would become hard-pressed to do so, effectively discriminating against diverse audiences and leading to less-informed programming decisions."



Kelly Abcarian, EVP, NBCUniversal

"We believe the industry would suffer a ripple effect and would have no methodologically sound way of identifying what diverse audiences are watching,"

<https://www.nextv.com/news/nielsen-rivals-undercount-minority-viewers>



CORRECTING THE [UNDER]COUNT

"Nielsen looked at return path data and found that nationally, it underrepresented Asian viewers by 35%, Hispanic viewers by 31% and African-American viewers by 22%, compared to Nielsen's national TV panel. White/non-Hispanic viewers were overrepresented by 12%."

<https://www.nextv.com/news/nielsen-rivals-undercount-minority-viewers>



Although Black and Latino viewers consistently over-index in video and mobile utilization, among others, they have been overlooked consistently. Measuring the media consumption patterns and practices of this growing demographic has been a priority for very few measurement firms. With the introduction of the Nielsen Diverse Intelligence Series (DIS) in 2009, brands, advertisers, agencies and networks found a dedicated and reliable data source to guide their media spend and buy that went beyond the bias and limitations of Big Data.

<https://www.nielsen.com/us/en/insights/resource/2021/explore-the-representation-of-diversity-and-inclusion-on-tv/>

THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES

PART VI

PRINCIPLES AND BEST PRACTICES
FOR MEDIA MEASUREMENT



WHAT A MEASUREMENT SYSTEM SHOULD BE

The mandate for a new measurement framework -- or frameworks -- is clear and present. Advertisers, agencies, brands, broadcasters, distributors, networks, publishers and platforms, collectively, have issued a clarion call for change. With billions of dollars at stake, the urgency of the circumstances demands nothing less.

As the media industry continues its critical and constructive introspection, we are proffering a novel set of principles and best practices to inform and instruct the process going forward. It is based on our survey of key concerns, recommendations and proposals thus far.

Our intent is to manage the moment. If today's debate on media measurement is to have any integrity, it must incorporate a few basic, mutually-agreed principles. What follows is our contribution toward that end, which we hope will advance a more expansive and inclusive dialogue.

In sum, we recommend that firms and companies involved in audience and media measurement adopt and incorporate the following twelve principles:



MEASUREMENT PRINCIPLES AND BEST PRACTICES

I. Accountable

Every measurement system, method, protocol, and provider should be accountable to an autonomous, independent, unaffiliated entity, namely the Media Rating Council (MRC), which has the capacity, capability and competence to independently audit, assess and certify the veracity and viability of the measurement system to deliver accurate outcomes for advertisers, broadcasters, networks, publishers, providers and other media.

***Rationale:** Accountability to an independent entity preserves the integrity of the system and reliability of the data. Founded as the Broadcast Rating Council in 1964 following Congressional investigations and hearings, the Media Rating Council has over 50 years of ethical and independent experience and expertise in the review, accreditation and regulation of advertising and video content. With the proliferation of media sources and viewing options, such a role is more crucial now than ever before.*



MEASUREMENT PRINCIPLES AND BEST PRACTICES

II. Independent

Measurement firms should be completely autonomous -- totally independent of, and disconnected from, any advertiser, broadcaster, media, network, publisher or delivery platform.

***Rationale:** Independence from all advertising and media entities will preserve the integrity and objectivity of the system. To avoid any real or perceived conflicts of interest concerning the review, auditing, accreditation or enforcement of measurement systems, it is important that measurement providers are not also functioning as, or invested in, content producers, providers or platforms themselves.*

III. Comprehensive

Measurement systems should include broad, diverse and dynamic datasets from multiple sources, including qualitative, real and quantitative data, taking care to integrate and deduplicate multiple elements.

***Rationale:** Advertisers and media need comprehensive data to make prudent and commercially practical commitments and financial decisions. Recognizing the growing fragmentation of audiences, single source measurement systems are incomplete and unreliable. There are inherent strengths and weaknesses provided by each data source. Big Data and Artificial Intelligence (AI) present amazing scale but miss texture and nuances. Panels provide unique insights but are limited in scope. Measurement firms reporting data including person characteristics should have some of that data gathered from actual persons, not just modeled. Thus, both types of data are necessary for a comprehensive view of person, device and household viewing.*



MEASUREMENT PRINCIPLES AND BEST PRACTICES

IV. Inclusive and Representative

Measurement systems should be deliberately and purposefully inclusive and representative, taking into account the entire audience, particularly key demographic markers such as age, ethnicity, faith, gender, geography, nationality, race, sexual orientation, and other identifying factors.

***Rationale:** Accurately counting minority audiences has been a consistent challenge for almost every measurement system and provider despite the growth of minority populations and their over-consumption in numerous media categories. Any and all new measurement systems must avoid the past biases and historic under-counting of these consumers, especially media consumers of color.*

V. Transparent

Measurement providers should identify and disclose the details of their methodology to clients and auditors upon request, provided there are reasonable measures to protect private and proprietary information from unauthorized disclosure.

***Rationale :** With the increased utilization of AI, machine learning and other algorithmic formulas, advertisers and media deserve to know how audience and media measurement systems are designed, structured and operated. A reasonable degree of transparency of the system should be expected and provided by measurement providers as a matter of course, respecting proprietary and confidentiality concerns.*



MEASUREMENT PRINCIPLES AND BEST PRACTICES

VI. Consistent

Measurement systems should contain an identifiable level of technical, practical and procedural consistency throughout its design, methodology, implementation and process.

***Rationale :** Consistency, predictability and reliability are important to advertisers and media and essential to the advertising ecosystem and commercial market. Without a consistent process, customers are unable to rely on measurement outcomes from one period to another. Such a result is not sustainable for advertisers or media in the long term.*

VII. Adaptable

Measurement systems should be flexible and adaptable to accommodate: (1) The proliferation of channels and mediums of consumption; (2) The changing preferences and proclivities of audiences, and (3) The evolution of content delivery modes, methods, platforms and technologies.

***Rationale :** Audiences and technologies shift, evolve and change but systems should be designed to adapt to these developments while maintaining their intrinsic integrity, in addition to the ability to react and maintain performance on all parameters in the face of changes in media technology, pandemics, cybersecurity, supply chain problems and other extraordinary events.*



MEASUREMENT PRINCIPLES AND BEST PRACTICES

VIII. Privacy Compliant

Measurement providers should adhere to all laws, rules and regulations, in addition to standard industry practices, to protect the individual privacy and personal information of clients and consumers.

Rationale : Data privacy is important and should be preserved and protected as a matter of principle. Doing so is also a business best practice. As consumers become more concerned over the use of their data and personal information, both with and without their consent, measurement providers should prioritize individual privacy to maintain trust and integrity.

IX. Cross-Platform

Measurement systems should be capable of measuring audiences across each and every platform and viewing source, individually, collectively and cross-platform, while at the same time deduplicating across viewing sources.

Rationale : Today's consumers are media, mobile and platform agnostic. Unlike in a bygone era, they no longer live in media silos. They cross and mix various media platforms with ease, often simultaneously. And they want media to respond to their tastes, behaviors and practices New measurement systems must be capable of consistently measuring activity on linear, digital, CTV, VOD, OTA, OOH platforms without duplicating measurement outcomes. And that measurement must be accurate and timely across every platform.



MEASUREMENT PRINCIPLES AND BEST PRACTICES

X. Uniform

Measurement systems should contain a uniform set of criteria to advance competition among measurement providers and allow like-for-like comparisons by advertisers, broadcasters, media, publishers and platforms.

***Rationale :** Uniformity is essential for advertisers and media to plan, assess and compare. Adherence to (1) standards, as advanced and enforced by the MRC, and (2) principles as promulgated here, will allow companies to make critical decisions and compete for business in the marketplace. Competition is important and can only occur if there are uniform elements adopted and implemented by measurement providers.*

XI. Efficient

Measurement systems should be designed to operate with the capacity to operate efficiently, particularly concerning the processing of quantum data with speed and efficiency, without delay or compromise in the quality of outcomes.

***Rationale :** While efficiency is difficult to quantify, customers of measurement services are demanding more efficient systems. Advertisers, agencies, networks, publishers and providers have come to expect efficient, reasonably priced services, which include, among other things, real-time, relevant, quality data and analytics. Lag time in the reporting of data is no longer acceptable in the market.*



MEASUREMENT PRINCIPLES AND BEST PRACTICES

XII. Accurate

Measurement systems should be conducted with accuracy and precision, informed by data-science, Big Data and AI algorithms, and balanced by qualitative demographic data and relevant analytics.

***Rationale :** Accuracy has been an elusive component for many measurement firms and the lack of accuracy remains one of the most prominent criticisms. Advertisers, networks, media and publishers deserve accurate measurement of consuming audiences, which can best be delivered using a combination of quantitative and qualitative data. Big Data alone is not sufficient to measure hard-to reach populations. Systems must have the consistent capacity to deduplicate, verify and quantify audience viewing. Methods and processes should be supported by empirical evidence of this accuracy, which can allow auditors to review and recreate when necessary.*



MEASURING UP

Review

Against the backdrop of the twelve Measurement Principles and Best Practices above, we reviewed the stated capabilities of each of the measurement firms in this Report based on publicly available information and statements on their own websites.

We ranked each of the individual measurement firms using a simple, straightforward methodology. We matched the firm's statements and practices against the text, rationale and spirit of each Principle.

Those rankings are outlined here and reflected in the following graph.

Rankings

1. Nielsen
2. Comscore
3. iSpot TV
4. Samba TV
5. Oracle
6. TVSquared
7. VideoAmp
8. SixZeroFive

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EMBRACING THE PRINCIPLE(S) ?

Measurement Firms Principles for Media Measurement	comscore	iSpot.tv	Nielsen	ORACLE	SAMBA TV	SIX ZERO FIVE	tvSquared	videoamp
I. Accountable	✓		✓	✓				
II. Independent	✓	✓	✓	✓	✓	✓	✓	✓
III. Comprehensive			✓					
IV. Inclusive-Represent			✓		✓			
V. Transparent	✓	✓	✓	✓	✓	✓	✓	✓
VI. Consistent	✓	✓	✓	✓				
VII. Adaptable								
VIII. Privacy Compliant	✓	✓	✓	✓	✓	✓	✓	✓
IX. Cross-Platform	✓		✓					
X. Uniform	✓	✓	✓					
XI. Efficient	✓		✓	✓				
XII. Accurate	Accuracy remains the Holy Grail of Measurement as each firm pursues methods and technologies to insure accurate measurement of audiences for media and advertisers							

Company measurement data source: NBCUniversal Measurement Framework Look Book V 1

Comscore - 40M HH / 75M TVs, mainly STB / 100 HH panel Internet device

iSpot TV - 51M TVs

Nielsen - 30M HH TV Big Data / 41k HH proprietary panel / 70k PPM panel / 32k digital panel / 18k mobile panel

Oracle - 15M TVs

VideoAmp - 39M HH

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PART VII

THE PATH FORWARD



WHERE DO WE GO FROM HERE?

What began as a whistle-blower reaction to Nielsen's pandemic measurement problems has become a slow process of industry introspection, played out in public discourse and amid plain view. With an unprecedented inquiry into old ways, and an unparalleled introduction of new ways, the reset in audience measurement is well underway.

And the media industry is all the better for it.

The measurement establishment, represented by Nielsen and Comscore, is being forced to share the market with upstarts and new entrants. Advertisers, brands, broadcasters, networks, platforms, publishers and providers -- along with the Media Rating Council (MRC) -- all have vested interests in a viable solution and successful outcome. Billions of advertising and media dollars are at stake.

Of course with change comes challenge, and the new measurement paradigm(s) will be no exception. The New York Times observed:

Advertising executives from Procter & Gamble, Anheuser-Busch and others have worried that the search for other options will result in each media company's using different criteria to count viewers. Arun Kumar, the chief data and marketing technology officer for the ad giant Interpublic Group, described this potential outcome as "Balkanization at a massive scale."

"It's hard enough to measure some of these new devices and the new data sets that are flowing through them, but it becomes even harder if you don't have consistent standards," he said. "The one thing Nielsen had going for it was that, no matter how good or bad it was, it was standard. But now you're going to have these big, fragmented data sets."

<https://www.nytimes.com/2021/11/12/business/media/nbcuniversal-nielsen-tv-alternatives.html>



WHAT THE INDUSTRY NEEDS NOW

A Uniform Currency

The advertising and media ecosystem needs a reliable currency to buy and sell advertising. It needs a uniform system to measure everyone no matter where they happen to consume media. And it needs an independent, objective umpire to interpret and enforce the rules of the game.

A Self-Regulatory Regime

We cannot overstate the significant role and responsibility of the Media Rating Council (MRC) as the implacable cornerstone of the media and audience measurement ecosystem. Maintaining a fully empowered MRC is essential to upholding the highest ethical and performance standards throughout.

An Agreed Set of Principles for Media Measurement That Are:

- | | |
|--------------------------------------|--------------------------------|
| <i>I. Accountable</i> | <i>VII. Adaptable</i> |
| <i>II. Independent</i> | <i>VIII. Privacy Compliant</i> |
| <i>III. Comprehensive</i> | <i>IX. Cross-Platform</i> |
| <i>IV. Inclusive/ Representative</i> | <i>X. Uniform</i> |
| <i>V. Transparent</i> | <i>XI. Efficient</i> |
| <i>VI. Consistent</i> | <i>XII. Accurate</i> |

The twelve Principles introduced here should be viewed as beacons for best practices, and should be adopted by every firm engaged in audience and media measurement. We believe that, if adopted, the Principles will enshrine a highly-desirable system of uniformity in audience measurement. It would further avoid the growth of a non-uniform patchwork of measurement regimes that needlessly complicate planning for advertisers, networks, publishers and platforms alike.



EXPERIENCE, INNOVATION AND EXPERTISE SHOULD GUIDE THE INDUSTRY'S FUTURE

The Media Rating Council (MRC) is scheduled to announce its decision on the separate applications of Comscore and Nielsen for national, local TV measurement accreditation in September 2022. Both companies have invested millions of dollars into improving their existing methodologies and just as much on new techniques and technologies. The MRC's long-awaited decision is expected to green-light both currencies and will be key to their immediate and long-term plans for growth and expansion.

Default to the Incumbents

As such, Nielsen One and Comscore Everywhere (in that order) are likely to become the leading currencies for audience and media measurement in the foreseeable future, each offering improvement and innovation in the increasingly important area of cross-platform viewing. While both companies have unique systems and approaches, they maintain an incumbent advantage over the field of relatively new entrants and untested competitors who have yet to deliver on the key measurement categories that matter most to media and advertising clients.

In fact, among the eight measurement firms we reviewed in this Special Report, no company has implemented every one of the Principles for Media Measurement in their entirety. Nielsen and Comscore came the closest, but have room for improvement.

Advantage to Nielsen

Notwithstanding recent developments, the research and data show Nielsen with a significant advantage over all others in scale, reach, infrastructure, number of data scientists and level of capital resources. Combined with decades of technical experience, professional expertise and operational facility as the media industry's default measurement standard, Nielsen stands to retain its lead position as the best single currency for audience and media measurement for advertisers, brands, broadcasters, networks, platforms and publishers going forward.

More importantly, after months-long research, review and analysis, it is our recommendation that all companies engaging in audience measurement services should embrace, adopt and implement the twelve Principles for Media Measurement presented in this Special Report.



REBALANCING THE SCALES

ABOUT THE AUTHOR

Adonis Hoffman is a lawyer, corporate advisor and director with over 30 years of business, legal and government experience in public policy, regulation, media and communications. He is an Executive with the Advisory Counsel, LLC, providing strategic counsel to leading corporations, private equity, hedge fund and institutional investors on M&A, regulatory, class action and public policy matters. Hoffman is Chairman of The American Social Impact Foundation; Trustee of The Media Institute and Member of its First Amendment Advisory Council, and serves as Chairman of the Direct Sales Self-Regulatory Council (DSSRC) Appellate Board. A leading voice on corporate stewardship and ESG matters, Hoffman was appointed Adjunct Professor of Communication, Culture & Technology in the Graduate School of Arts & Science at Georgetown University from 2008-2018.

Hoffman worked as Senior Vice president and Counsel at the American Association of Advertising Agencies (the 4As) from 2000 - 2010, where he helped lead the advertising industry's advocacy and self-regulatory initiatives on food marketing, children's advertising and online privacy. He later served as an advisor to the chairman and board of the Corporation for Public Broadcasting (CPB) and served as a member of the National Advertising Review Board (NARB).

Mr. Hoffman served in senior legal and policy positions in the U.S. House of Representatives (102nd, 98th, 97th Congresses) and as a senior advisor at the Federal Communications Commission (FCC), serving first as International Policy Counsel to the Chairman, later as Deputy Chief of the Cable (TV) Bureau, and as chair of the Interagency Task Force on Advertising Practices (1997-2000). He rejoined the FCC as Chief of Staff and Senior Legal Advisor for interim Chair and FCC Commissioner Mignon Clyburn (2013-2015) and advised FCC Commissioners and senior officials on communications policy matters, including Net Neutrality; media ownership; broadcast and wireless spectrum auctions; privacy; consumer protection, TCPA, and mega mergers in the media, broadband and internet sectors, along with numerous broadcast and telecom transactions.

Hoffman's earlier career includes tenure at the Carnegie Endowment for International Peace, the World Policy Institute, and the Capitol Policy Institute. He established the American Business Leadership Institute (ABLI); served on the Advisory Board of the Corporate Counsel Institute at Georgetown University Law Center; served as co-chair of the External Advisory Council of Nielsen Media and chairman of Business in the Public Interest.

Hoffman is the author of *Doing Good—the New Rules of Corporate Responsibility, Conscience and Character* (2010). He has been a frequent contributor to Fox Business, Fox News and The Hill newspaper, in addition to national publications, including The Wall Street Journal, The New York Times, The Washington Post, Los Angeles Times, Chicago Tribune, Broadcasting & Cable, The Washington Times, Multichannel News, National Journal and Foreign Policy. He has been widely quoted in the news media, including AP, Reuters, Time, and USA Today and has provided expert commentary on CNBC, CNN, FOX, among others.

Mr. Hoffman earned an A.B. from Princeton University (Politics) and a J.D. from Georgetown University Law Center. He is admitted to practice law before the District of Columbia Court of Appeals; the U.S. District Court for the District of Columbia; the U.S. Bankruptcy Court; the U.S. Court of International Trade and the United States Supreme Court. (www.adonishoffman.com)

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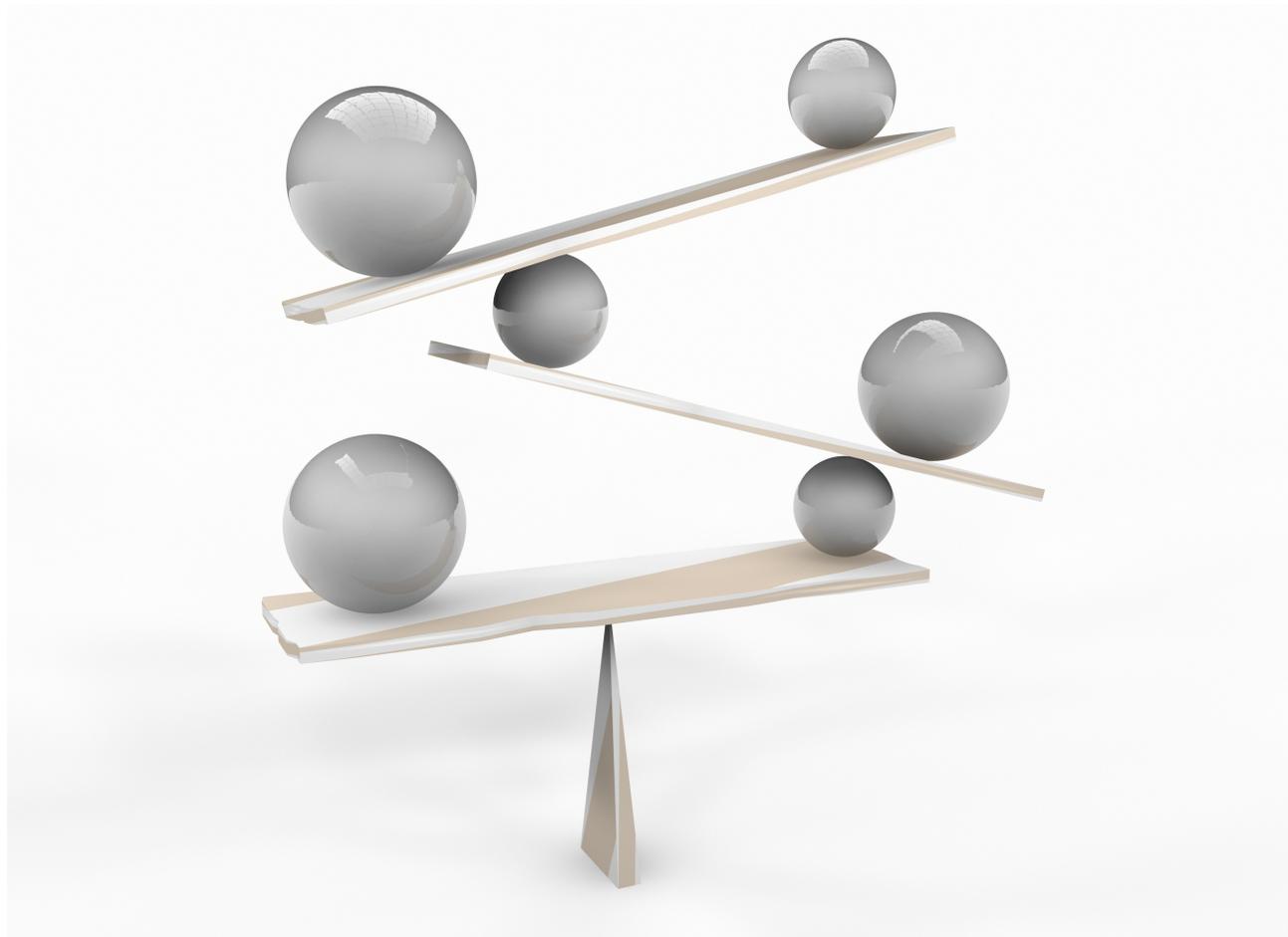
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THE NEW RULES OF MEDIA MEASUREMENT

REBALANCING THE SCALES



A CRITICAL REVIEW OF AUDIENCE AND
MEDIA MEASUREMENT TODAY

SEPTEMBER 2022